

Mitchell L. Diamond

Richard D. Klein
Jonathan P. Bellezza
Katrina Lentino

Diamond Law Group
5173 Merrick Road
Massapequa Park, NY 11762
Tel: (516) 663-5151
Fax: (516) 663-5152
admin@diamonddlawgroup.com

Legal Assistants:
Debra Iannone
Gia Khan
Meaghan Caltabiano
Delia Young
Nicole Limbach
Rebecca Belmonte
Christa Speranza
Cristina Merklin
Melanie Gonzalez

Dear Valued Clients,

Thank you for your interest our firm representing you in your real estate endeavors. The following shall outline the transaction process as well as confirm our mutual obligations to one another.

After your initial consultation with your attorney, the legal fee will be determined based upon individual circumstances.

Our office will put your interests first at every step of the transaction, respond to any inquiries promptly and provide great service. We will offer our very best counsel at every step of the way and make sure your legal rights are protected. We shall be transparent about the process and thoroughly explain any potential issues so you can make informed decisions.

Most inquiries can be handled through email which usually provides the quickest response; of course, we are also always available via telephone during business hours. Our office works as a cohesive unit of professionals that are intimately familiar with every single transaction; thus any one of us can assist you with your transaction.

Our interactive website is a very useful tool that will keep you in the loop the entire transaction, often times providing automated updates that you will receive via email. However, those notifications are generalized and do not always reflect the specifics of your particular transaction.

Prior to Contract:

- You will need to provide the purchaser with the following documents for their review before their attorney will allow them to sign the contracts:
 - *Last Two Year's Financials* (if applicable as not every development has these).
 - *House Rules:* The house rules will outline the “do’s and dont’s” that you follow as a resident.
 - *Copy of the By-Laws:* These are the restrictions the coop. puts on the unit.
 - *Offering Plan:* This is a large, categorized bound book (or PDF version) that acts as a general outline of what the cooperation has to offer. Any Amendments to the offering plan over the years should also be turned over to the buyer.

- We will require the following documentation in order to properly draft the contract:
 - *Name and contact information for the Managing Agent.*
 - *Name of Cooperative Housing Corporation.*
 - *Number of shares allocated to the unit.*
 - *Amount of monthly maintenance.*
 - *Assessment, if any, and the length, duration and purpose of the same.*
 - *Whether or not the sale involves transfer of interest in storage, parking or any other 'right'.*
 - *Flip tax, if any, and the responsible party.*

Contract Review:

- A real estate contract is written evidence of a meeting of the minds between you and the seller. The contract contains all of the terms and conditions of the transaction and describes the parties' respective rights and obligations. The contract will also contain contingency provisions and representations made by you and the purchaser that describes what will happen if things do not go exactly as stated in the contract.
- The purchaser may conduct a home inspection. Should they attempt to negotiate credits and/or repairs pursuant to the report, your **agent** will assist you in brokering the terms.
- One of the most important terms is often the 'closing date'. Typically in real residential estate transactions an 'on or about' closing date is utilized. The term 'on or about' provides for closing 30 days before **or after** the date that is set in the contract. Thus this should be taken into consideration when negotiating terms with your agent. The date is agreed upon with the expectation the parties exercise 'good faith' and is **not** guaranteed. If either party does not abide by this deadline then the other party's remedy would be to commence litigation if a more viable alternative is unavailable. There is no remedy included in the contract for us to automatically penalize the offender.
- Once all terms have been agreed upon, we shall send out the proposed contract to the purchaser's attorney.
- Upon receipt and review of proposed changes to the contract (if any), we will discuss with you what changes are necessary. Afterwards, we will negotiate these changes with the buyer's attorney on your behalf.
- Upon verification that the contract is fully negotiated, the purchaser will sign first and upon receipt of the 'partially executed contracts,' our office will contact you to schedule an appointment so that we may thoroughly review the terms. If you prefer to sign electronically that can be arranged as well. If you have any particular questions, you may find it helpful to organize a list so that we may better assist you at the contract signing.
- After you sign the contract, we shall overnight same to the purchaser's attorney. Upon receipt by the purchaser's attorney both parties are 'officially in contract' and bound to the contractual terms. It is at this time that the purchaser's down payment check will be deposited into our office's attorney escrow account.

No representation as to taxes is included in a contract. Be sure you have disclosed the true tax amount without exemptions for the property via your agent.

Lien Search:

- A lien search is a one-time fee, payable by the purchaser. The contract will state that the sale is conditioned upon the seller transferring the Shares and Lease applicable to the Unit free and clear of all loans, judgments and other liens which may exist against the property.
- Our office will review the lien search upon receipt and shall notify you of any issues to ensure you have proper notice of any issues which require your correction.
- Please provide your social security number, loan account number and lender's name so that we can order your payoff. This could take a month to be received by the payoff attorney.
- If you do not have any loans against the property, you must be in possession of the **original Share and Lease which must be brought to closing**. If you have any questions regarding this whatsoever please bring that to our attention *immediately*.

Financing:

- Most real estate transactions are subject to the purchaser obtaining financing. The purchaser must obtain a Mortgage Commitment from a lender within thirty to forty-five days. The purchaser must act in good faith, promptly apply for a mortgage loan, and fully cooperate with the request of their lender during this process. If the purchaser cannot obtain a mortgage commitment, usually either party may cancel the contract, and the contract down-payment shall be returned.

Coop Board Approval

- The transaction is also contingent upon the purchaser obtaining 'board approval'. Most coops. have a board interview; others do not. The purchaser will go for an interview and if approved that will be the final contingency for the transaction.

Clear to Close:

- After the purchaser receives their commitment, the purchaser's loan officer will clear all of the commitment conditions. The lender's attorney will also need to approve the file for funding. Thereafter, we will be able to schedule a mutually agreeable closing date with all parties.
- Generally speaking, per banking regulations, a closing can only be scheduled 72 hours (excluding Federal holidays and Sundays) **after** the buyer has acknowledged the Closing Disclosure.

Closing:

- Our office will prepare a financial closing statement that outlines the entirety of the transaction in a manner that is easily understood. At closing we shall review all documents so as to ensure that you are fully aware of all that transpires at such time.
- Please be aware that simply because a closing date has been scheduled, that does not automatically mean you will be giving actual possession of the premises that day. Kindly advise if you require more time to vacate, pursuant to the terms of the contract.
- Additionally, the purchaser shall have the right to conduct a final walkthrough of the premises prior to closing. This will be scheduled through the parties' respective agents to

ensure the property is in the condition called for in the contract. It is imperative that you contact us immediately if there are any issues at the walkthrough so that we may resolve them prior to the closing so as to avoid any unnecessary delay.

- The location of the closing typically will be held at the office of the managing agent or coop. attorney.
- The duration of a typical closing will be less than two (2) hours, depending on the lender.
- At the time of closing, you may have our in-house closing attorney Katrina Lentino, Esq. attend on behalf of the firm. She will always be intimately familiar with specifics of your transaction and specializes in real estate closings.
- Coop closing fees applicable to each party will be obtained via letter from the Management Company just prior to closing and a 'common charges' letter that will be utilized to 'prorate' common charges at closing.
- During the actual closing, you will sign New York State and City (if applicable) Transfer Documentation while the purchaser signs their loan documentation (if applicable).
- Your 'closing costs' will include our legal fee, New York State and City (if applicable) Transfer Tax, any realtor commissions plus your individual coop.'s fees.
- You must bring government issued photo identification (i.e. driver's license or passport) to the closing.

Miscellaneous:

We do not practice litigation of any kind. Should the Contract not come to fruition as intended you will be required to retain outside counsel for this purpose. Referrals will be provided upon request.

In the event that a dispute arises between us relating our fees, you may have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to you upon request.

By proceeding with your transaction and engaging our firm to represent you, you hereby acknowledge that you have read this letter and agree to our engagement, which has been fully discussed and explained to your complete satisfaction.

Most importantly, congratulations on your real estate transaction!

Very truly yours,

DIAMOND LAW GROUP